

## CONTENTS

CHAPTER/ PARAGRAPH	SUBJECT	PSU	PAGE NO.
	<b>PREFACE</b>		<b>v</b>
	<b>EXECUTIVE SUMMARY</b>		<b>vii</b>
<b>Chapter I</b>	<b>DEPARTMENT OF ATOMIC ENERGY</b>		
1.1	Payment of City/ Site Conveyance Allowance to officials provided with Transport facility	Nuclear Power Corporation of India Limited	1
<b>Chapter II</b>	<b>MINISTRY OF CIVIL AVIATION</b>		
2.1	Potential loss of revenue to Airport Authority of India (AAI) resulting from flaw in agreement between MIAL and private developer HDIL for removal of encroachments from Airport Land	Airports Authority of India	3
2.2	Short realization of Annual Fee from MIAL resulting in loss of revenue to AAI	Airports Authority of India	7
2.3	Non-realisation of revenue share as per provisions of agreement	Airports Authority of India	9
2.4	Irregular payments towards encashment of half pay leave	Airports Authority of India	11
2.5	Poor utilization of infrastructure developed with Government funds at Birsi airport, Gondia resulting in recurring losses for its maintenance	Airports Authority of India	13
<b>Chapter III</b>	<b>MINISTRY OF COAL</b>		
3.1	Avoidable loss due to short payment of advance income tax	Eastern Coalfields Limited	17
3.2	Avoidable expenditure	Neyveli Lignite Corporation Limited	19
<b>Chapter IV</b>	<b>MINISTRY OF COMMERCE AND INDUSTRY</b>		
4.1	Blocking of funds on account of failure to implement IT Solution System	ECGC Limited	22
<b>Chapter V</b>	<b>MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION</b>		
5.1	Export of wheat	Food Corporation of India	25
5.2	IT audit on implementation of Financial Accounting Package	Food Corporation of India	35

5.3	Award of work of construction of godown on nomination basis	Food Corporation of India	48
5.4	Undue benefit to the transport contractors	Food Corporation of India	50
5.5	Extra expenditure on transportation of food grains	Food Corporation of India	52
<b>Chapter VI DEPARTMENT OF FERTILIZERS</b>			
6.1	Marketing of Products of Fertilizer Companies	Madras Fertilizers Limited and The Fertilizers and Chemicals Travancore Limited	54
6.2	Infructuous expenditure on leasing of land	Rashtriya Chemicals and Fertilizers Limited	64
<b>Chapter VII MINISTRY OF FINANCE (DEPARTMENT OF FINANCIAL SERVICES - INSURANCE DIVISION)</b>			
7.1	Decision to reschedule loan without insisting on adequate tangible security led to non-recovery of dues	IFCI Factors Limited	67
7.2	Non Compliance with provisions of credit policy and extension of undue favour led to non-recovery of dues	IFCI Factors Limited	69
7.3	Blocking of funds in bad loans	STCI Finance Limited	71
7.4	Avoidable payment of insurance claim due to excess retention of risk	United India Insurance Company Limited	75
<b>Chapter VIII MINISTRY OF HEALTH AND FAMILY WELFARE</b>			
8.1	Efficiency and effectiveness of marketing activities of HLL Lifecare Limited, Thiruvananthapuram.	HLL Lifecare Limited	77
8.2	Release of advance payments without obtaining adequate security	HLL Lifecare Limited	86
<b>Chapter IX MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES</b>			
9.1	Avoidable payment of compensation	Bharat Heavy Electricals Limited	89
9.2	Avoidable expenditure on payment of sales tax	Bharat Heavy Electricals Limited	90
9.3	Unfruitful expenditure on procurement of rail wagon	Bharat Heavy Electricals Limited	92

<b>Chapter X</b>	<b>MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION</b>		
10.1	Fund Management and Financing Activities	Housing and Urban Development Corporation Limited	94
<b>Chapter XI</b>	<b>MINISTRY OF POWER</b>		
11.1	Loss due to delay in lodging of claims with Railways	Damodar Valley Corporation	111
11.2	Wilful negligence leading to sub-standard asset	Power Finance Corporation Limited	112
11.3	Injudicious decision leading to substandard asset	Power Finance Corporation Limited	114
11.4	Loss due to under-recovery of fuel cost	North Eastern Electric Power Corporation Limited	115
11.5	Renovation and Modernisation of NTPC Power Plants	NTPC Limited	117
11.6	Sanction of loan to financially weak private developer	Rural Electrification Corporation Limited	130
<b>Chapter XII</b>	<b>RECOVERIES, CORRECTIONS/RECTIFICATIONS BY CPSEs AT THE INSTANCE OF AUDIT</b>		
12.1	Recoveries at the instance of audit	Bharat Heavy Electricals Limited, Food Corporation of India, Northern Coalfields Limited, South Eastern Coalfields Limited and The New India Assurance Company Limited	132
12.2	Corrections/rectifications at the instance of audit	Central Warehousing Corporation and Engineering Projects (India) Limited	132
<b>Chapter XIII</b>	<b>Follow up on Audit Reports</b>		133
	<b>Appendix I</b>		137
	<b>Appendix II</b>		140
	<b>Appendix III</b>		141
	<b>Annexures</b>		143